BRYAN'S CURRENCY CREED.

A FULL EXPOSURE OF HIS ECONOMIC VAGARIES.

Extracts from His Congressional Speeches, Accompanied by Appropriate Comments.

MR. BRYAN IS A GREENBACKER.

His Fundamental Principle: The Value of the Dollar is Appreciating; It must be Depreciated.

HE ADVOCATES SILVER MONOMETALLISM.

Blessings of an Unlimited Paper Currency when issued by the Government.

NO BANKS OF ISSUE, STATE OR NATIONAL.

Sumptuary Legislation the Ultimate Remedy for Financial Depression.

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Is William Jennings Bryan, the Populist-Democratic Candidate for President, consistent in his various attitudes on the Currency question? It has been asserted that he is not. Read the following extracts from his speeches in Congress upon this subject and judge for yourself.

The quotations in this pamphlet are all taken from the speeches of William J. Bryan, now a candidate for the Presidency, when he was a member of Congress from the State of Nebraska. The date of each speech has been placed in front of the citation from it. Each extract from his speeches is accompanied by comments. These extracts and comments, read in connection with each other, will enable intelligent voters to decide whether they believe Mr. Bryan to be a man of the knowledge, experience and judgment required to qualify him for the high office to which he aspires.

Bimetallism and Monometallism.

FEBRUARY 27, 1894.—Mr. Bryan said: "We must choose between bimetallism and gold monometallism."

Not at all. We are equally at liberty to choose between bimetallism and silver monometallism. Mr. Bryan and his supporters would deprive us of our freedom to make a choice between gold and silver monometallism, and compel us to accept silver monometallism. They leave no room, in their scheme of free and unlimited coinage, for true bimetallism; since true bimetallism implies equality of value in silver and gold coins of the same denomination, while free coinage at 16 to 1 means a wide divergence in value between them. Bimetallism in which the unit of value is expressed in terms of gold is no less really bimetallism than if the unit of value were expressed in terms of silver. Bimetallists have the right to choose which of the two metals shall be the standard, Mr. Bryan to the contrary notwithstanding.

Bimetallism and the Standard of Value.

FEBRUARY 27, 1894.—"The gentleman from New York (Mr. Hendrix) said the other day that he believed in bimetallism, but that 'in bimetallism gold will be the standard.' If, sir, that is the idea of some of those who advocate bimetallism, if they want it on a gold basis, I desire to say that there are bimetallists here who do not understand the meaning of the term that way."

There can be no bimetallism in which there is no standard. If the gold dollar and the silver dollar are of the same intrinsic value,

it matters not which of the two is called the standard. But it rarely happens that both are of the same intrinsic value. If not of the same intrinsic value, one or the other must be the standard. The only reason for objecting to a gold standard is a preference for a silver standard. The reasons why a silver standard is preferable to a gold standard require statement.

The Battle of the Standards.

August 16, 1893.—" If a single standard were really more desirable than a double standard, we are not free to choose gold, and would be compelled to choose silver. * * * Silver as a promise to pay gold is little if any better than a paper promise to pay. If bimetallism is impossible, then we must make up our minds to a silver standard or to the abandonment of both gold and silver."

There is no such thing as a double standard of value, and there can not be. If we have two standards which are capable of identical conversion into each other, they together constitute a single standard; but if we have two standards which are not capable of identical conversion, or of mutual reduction to a common basis, one of the two will be in use and the other abandoned. The experience of the United States, under the attempt to maintain a double standard, has demonstrated that gold at one time and at another silver has been the practical standard of value—but always the cheaper metal, whichever for the time that happened to be.

Bimetallism without the concurrence of a sufficient number of the great commercial nations of the world is impossible. Whether it would be possible with their concurrence is a matter of speculative opinion; but that question does not enter into the present controversy.

Why we are not free to choose gold as the standard is not apparent. Free coinage of silver would undoubtedly compel us to choose silver.

At present the silver dollar is, in the words of Mr. Bryan, a virtual promise to pay gold; and in that light he must regard it as "little, if any better than paper." Paper is good, so long as the credit of the government is good, and so is silver. If neither paper nor silver is redeemable in gold, silver, at the present market price of bullion, is 47 cents better than paper.

Bimetallism "without waiting for the consent of any other nation upon earth" being an impossibility, Mr. Bryan admits his preference for the silver standard; but in the words "or to the abandonment of both gold and silver" he clearly implies that he would be willing to try the experiment of an irredeemable paper currency. That irredeemable treasury notes are capable of fulfilling both functions of money, as a standard of value and as a medium of exchange, is the exploded greenback heresy. The necessary inference is that Mr. Bryan is at heart a greenbacker.

The Debtor's Option.

August 16, 1893.—"The option is always given to the debtor in a double standard."

To give the debtor the option to pay in gold or silver, when gold and silver are at par with each other, is honest. But to give the debtor this option, when a silver dollar is worth little more than half as much as a gold dollar, is an obvious fraud upon the creditor.

Payment of Debts in Gold or Silver.

February 27, 1894.—"There is no bimetallism which gives the option to the noteholder. Bimetallism always gives the option to the debtor."

In a sense this is true. But the bimetallic theory proceeds upon the hypothesis that gold and silver coin of the same denomination are and shall remain of the same value. It does not contemplate any such difference in value between the two as now exists between the American gold and silver dollars. The name of bimetallism cannot be invoked in favor of repudiation.

Limiting the Supply of Money.

June 5, 1894.—"Some who are ready to use the power of the Government to limit the supply of money in order to prevent injustice to the creditor, are slow to admit the right of the Government to increase the currency when necessary to prevent injustice to the debtor."

The immediate effect of free coinage of silver would be to contract the currency; ultimately it would inflate the currency. The only manner in which inflation could "protect the interest of the debtor" would be by enabling him to scale his indebtedness and make a settlement with his creditors in depreciated money. But Mr. Bryan elsewhere has said that the effect of free coinage would be to raise the price of silver bullion in the market to $1.29 per ounce in gold.

Both of these statements can not be true. The silver dollar can not at once appreciate and depreciate in value. This is the fatal dilemma which forever confronts the advocates of free coinage at a false ratio.

Free Coinage and Exports.

August 16, 1893.—"If our gold goes abroad, Europe will have more money with which to buy our exports—cotton and wheat, cattle and hogs. If, on the other hand, we adopt gold, we must draw it from Europe and thus lessen their money and reduce the price of our exports in foreign markets. This, too, would decrease the total value of our exports and increase the amount of products which it would be necessary to send abroad, to pay the principal and interest which we owe to bondholders and stockholders residing in Europe."

Mr. Bryan ignores the fact that imports are paid for with exports, and that the money required to be shipped abroad on account of importations is only so much as is needed to make up the deficit when the balance of trade happens to be against us. Europe needs no more money than she has to buy of us what she wants, and she would not buy any more if she had more money than she has. No political economist of reputation has ever taken the position that it is advantageous to any country to adopt an overtrading policy calculated to drive money out and put it in the hands of a commercial rival. Besides, the avowed purpose of free coinage of silver is to make money plenty at home. It can not have two opposite effects at once. It can not make money plenty here and plenty abroad at the same time.

Mr. Bryan's Notion of an Honest Dollar.

AUGUST 16, 1893.—"If I borrow a thousand dollars to-day, and next year pay the debt with a thousand dollars which will secure exactly as much of all things desirable as the one thousand which I have borrowed, I have paid in honest dollars. If the money has decreased or increased in purchasing power, I have satisfied my debt with dishonest dollars."

Debts are not paid (as a rule) with money, but with property of some sort, including bank credits with property. The value of the property sold, for which payment must be made, is estimated in dollars and cents; so is the value of the property given in exchange for it. In ninety-five per cent of the transactions between American citizens no money changes hands. If payment is not deferred, the problem is simple, so long as both parties to the bargain measure the value of their respective properties by the same standard. But if payment is deferred, the element of perpetual fluctuation in values gives a certain speculative flavor to the transaction, which cannot be avoided.

If payment were made in wheat, instead of in money, this would still be true. A farmer borrows one thousand bushels of wheat from his neighbor one week; next week he returns it; meanwhile it may have have risen or fallen in value one-eighth of a cent a bushel. Nevertheless, if the lender agreed to take one thousand bushels of wheat in satisfaction of the debt, the farmer who returns exactly as much wheat as he borrowed cannot be branded as dishonest, and his wheat is honest wheat.

According to Mr. Bryan's view, an honest dollar is an impossibility, since it is clearly impossible that any dollar should "secure exactly as much of all things desirable" in two successive years. The inference would be, that there is no such thing as honesty among men. But, taking his definition of an honest dollar, the dollar which comes nearest to being an honest dollar is the gold dollar, for the value of gold fluctuates less, in relation to the value of all other commodities, than does silver.

This definition of an honest dollar is inaccurate and mislead-

ing. It was invented to escape the force of the observation that the man who borrows money every dollar of which is worth one hundred cents in gold, and repays his debt with dollars worth only fifty-three cents in gold, is not an honest man. It is a contemptible and unsuccessful evasion of the issue.

An honest dollar is a dollar whose value, after the removal of the government stamp upon it, is the same as before such removal; or, if not of the same intrinsic value as bullion, one which the government undertakes and is able to maintain at par with every other dollar upon which it puts its official stamp.

The Dishonest Gold Dollar.

AUGUST 16, 1893.—"I denounce that child of ignorance and avarice, the gold dollar under a universal gold standard, as the most dishonest dollar which we could employ. I stand upon the authority of every intelligent writer upon political economy, when I assert that there is not and never has been an honest dollar. An honest dollar is a dollar absolutely stable in relation to all other things."

If instability constitutes dishonesty, how can the gold dollar be the "most dishonest dollar" which we could employ, when the silver dollar is still more unstable?

Value of the Dollar Determined by the Volume of Currency.

JUNE 5, 1894.—"The value of a dollar depends upon the number of dollars." * * * "It can be asserted, without fear of contradiction, that under similar conditions an increase in the volume of the currency will decrease the value of the dollar as measured by other kinds of property, and that a decrease in the volume of currency will cause an increase in the purchasing power of the dollar."

The value of the gold or silver bullion in a dollar depends upon the amount of bullion in the world—upon the abundance or scarcity of the precious metal from which dollars are coined. The amount of bullion is the same, whether it is coined or uncoined. The only way in which coinage can affect directly the value of the dollar is by creating a sufficient supply of them, when the number in circulation is insufficient to serve the demand of trade and commerce for money as a medium of exchange. An extra supply of dollars not in circulation, however, does not affect the value of the dollar, because it has, in that case, the precise value of the bullion contained in it. Money, as money, may command a premium when scarce; but an over-supply of money will not result in its sale at a discount from the bullion price.

X How to Prevent Metallic Money from Appreciating.

JUNE 5, 1894.—"Whenever the time comes, therefore, if it ever does, that the people must choose between a constantly appreciating metallic money and an irredeemable paper money which gives a hope of relief, they

will choose the latter system, with all its defects and dangers. The choice may be avoided for the present by the full and immediate restoration of silver to its place as a co-ordinate part of the metallic money of the world. Later, if that is not sufficient to secure stability in the monetary unit, *it may be wise to prevent the use of gold and silver for any purpose excepting coinage.*"

In order to prevent the appreciation of gold and silver coin, it will be necessary to check the decline in prices of commodities resulting from their greater abundance in consequence of increased production, and this end cannot be attained except by arresting the progress of discovery and invention. Unless this can be done, Mr. Bryan intimates that he is in favor of an irredeemable paper currency, "with all its defects and dangers."

His conception of sound finance begins and ends in the idea that "stability in the monetary unit" is the foundation and the indispensable postulate of commercial justice. This stability, he imagines, can be secured, first, by the free coinage of silver; or, failing that, second, by an irredeemable paper currency; or, in the last resort, by "preventing the use of gold and silver for any purpose excepting coinage." His ultimate remedy for instability in the monetary unit would be sumptuary legislation. But it would be justified, in his opinion, by the necessity for a perpetual depreciation of the currency, in order to keep pace with the falling prices of commodities, due to better methods of production. Because inflation of the currency means depreciation of the currency, he is in favor of inflation; and, if free coinage does not sufficiently depreciate the gold as well as the silver dollar, he would bring down the price of gold and silver bullion by forbidding their employment in the arts.

Demand and Supply Considered with Reference to Coinage.

August 16, 1893.—"There is not enough of either metal to form the basis for the world's metallic money; both metals must therefore be used as full legal tender primary money. There is not enough of both metals to more than keep pace with the increased demand for money; silver can not be retained in circulation as a part of the world's money, if the United States abandons it."

The stock of coined gold in the world is about equal to that of coined silver; the amount of each is estimated to be four billions. Of the $4,000,000,000 of coined silver, $3,500,000,000 is full legal tender in the country where coined. Of $625,000,000 of coined silver in this country, $550,000,000 is full legal tender; the $75,000,000 which is limited tender is subsidiary coin, of light weight. Both metals are thus shown to be in actual use as "full legal tender primary money." No one has proposed that the use of silver as "primary" money shall be abandoned.

The world is estimated to have added $180,000,000 (or 4½ per cent) to the existing stock of gold in 1894; and $216,000,000 (or 5.4 per cent) to the existing stock of silver. The stock of gold

and silver is therefore increasing at a more rapid rate than the rate of increase of population.

The United States added $64,000,000 (or nearly 10 per cent) to its stock of silver in 1894; and $39,500,000 (or 6.4 per cent) to its stock of gold. The annual rate of increase of population, from 1880 to 1890, was less than 2½ per cent.

The statement that "silver can not be retained in circulation, as a part of the world's money, if the United States abandons it," is wild. The United States has no intention of abandoning it. Refusal to coin silver at a false ratio, on account of the owner, can not fairly be so construed. But if there were never another silver dollar coined in this country, even on account of the Government, this would not stop the coinage of silver elsewhere; nor would it wipe out of circulation the $4,000,000,000 of silver now current in the channels of commerce.

Free Coinage Would Make the Silver Dollar Worth 100 Cents in Gold.

August 16, 1893.—"We can, in my judgment, maintain the parity at the present ratio. We believe, in other words, that the opening of our mints to the free and unlimited coinage of gold and silver would immediately result in restoring silver to the coinage value of $1.29 per ounce, not only here, but everywhere."

This is precisely what most people familiar with the subject do not believe. Because they do not believe it, they oppose free and unlimited coinage at this ratio; Mr. Bryan's belief, or their disbelief, will not change the fact. If he had given his reasons for the faith which is in him, it would have been possible to examine and pass upon them, but he gives none.

The reasons for disbelieving that silver "not only here but everywhere" will rise in the market to $1.29 per ounce, are cogent, if not conclusive. The stock of silver in the form of coin in the world is estimated at more than $4,000,000,000 (four billions). The addition of $\frac{47}{53}$ to the value of this coined silver means the creation of value to the enormous amount of $3,735,227,388. In addition, the stock of silver uncoined, which it is impossible to estimate, would have to be doubled in value. It is safe to say that Mr. Bryan wishes to be understood to assert that the United States, without waiting for the consent of any other nation, can, by a simple act of legislation, create value amounting in the aggregate to more than twice the valuation of the entire stock of coined silver in the world. If this result should follow, it might well be said that the age of miracles has not passed away, and that the alchemist's dream was a prophetic vision of unrealized possibilities.

But if it were true that the price of pure silver, under the expansive influence of free coinage, would advance to $1.29 per ounce, and that the bullion in a silver dollar would "immediately" be worth 100 cents in gold, instead of continuing to be

worth (as now) only 53 cents in gold, how would this legislation benefit the debtor class, whom Mr. Bryan regards as having rights superior to those of their creditors, and who, as he tells us, should be preferred to them? If the gold dollar is a dishonest dollar, because it has appreciated in value relatively to the prices of the various commodities for which it can be exchanged in trade, does Mr. Bryan think it ethically right to bring about such an enormous appreciation in the value of the silver dollar also? And what would be the effect upon prices of the creation of eight or ten billions of value at one fell stroke? Would not the inflation of prices which would ensue be more fictitious than real? And would not such sudden inflation induce an era of speculation such as the world has not yet seen, the results of which would be disastrous beyond the power of the human imagination to conceive?

Free coinage is supposed to be in the interest of debtors; but if free coinage should "immediately result in restoring silver to the coinage value of $1.29 per ounce, not only here but everywhere," it would not have the effect of scaling indebtedness by one penny, and the hopes of those who fancy that it would are vain.

Why, Under Free Coinage, the Price of Silver Bullion Would Rise.

August 16, 1893.—"That there could be no difference (in value) between the dollar coined and the same weight of silver uncoined, when one could be exchanged for the other, needs no argument."

There is no difference in purchasing power between the silver dollar coined and the gold dollar; yet the quantity of silver (371¼ grains) in a silver dollar uncoined is not worth a gold dollar. It is worth only $\frac{53}{100}$ of a gold dollar. How would free coinage of silver make it worth any more?

Mr. Bryan has not in his mind the difference in value between 371¼ grains of pure silver (the silver "dollar") and 23.22 grains of pure gold (the gold "dollar"). The value of the silver dollar and that of the gold dollar being different, the question arises, whether Mr. Bryan means to say that 371¼ grains of pure silver could be exchanged for a silver dollar, or that it could be exchanged for a gold dollar. If by "the dollar coined" he means a silver dollar, all that he asserts is that the owner of the bullion would get his bullion back, without charge, assayed, minted, and stamped; this no one denies. But the stamp on the silver dollar is nothing more than a certificate of its weight and fineness; it is not, properly speaking, a certificate of value, and it adds nothing to the previous value of the same silver uncoined. If, on the other hand, he means that 371¼ grains of pure silver, after being minted, could be exchanged for a gold dollar, it devolves upon him to prove the assertion. It certainly could not, unless the bullion in the silver dollar could be exchanged for a gold dollar

before minting. It is incredible upon its face that the mere act of coining should possess the mystical potency attributed to it and be able thus to transmute values.

The "Natural" Ratio.

AUGUST 16, 1893.—"No change in the ratio can be made with fairness or intelligence, without first putting gold or silver upon a perfect equality, in order to tell what the natural ratio is."

By "equality" Mr. Bryan means that both metals must be admitted to the mint for coinage, on the owner's account and at his demand. By "natural" ratio he must be supposed to mean the commercial ratio. The commercial ratio will, he thinks, be materially affected by the demand for bullion for the purpose of coinage. This is perhaps doubtful; but it is certain that, while both metals were admitted to the mint, from 1792 to 1873, the ratio fluctuated between 15.17 and 16.11, which proves that not even free coinage is able to maintain that stability of purchasing power which Mr. Bryan regards as essential to honesty in the silver dollar.

The demand that free coinage of silver shall be re-established in advance of the determination of the coinage ratio is an evasion of the issue. The opponents of free coinage at 16 to 1 insist that free coinage shall not take place at any but the commercial ratio. Mr. Bryan replies that without free coinage at 16 to 1 the com. mercial ratio cannot be ascertained. This is not true.

The Money of the Constitution.

AUGUST 16 1893.—"Can we afford to abandon the constitutional right to pay in either gold or silver?"

There is not a line in the Federal Constitution in which this right is conferred or asserted. The only reference to silver in the Constitution is found in Article I, section 10, where it is declared that "No state shall make anything but gold and silver coin a tender in payment of debts." Therefore, the Constitution does not in any manner take silver under its special protection.

Section 8 of Article I gives Congress the right "to coin money, regulate the value thereof and of foreign coins." There is no direction for the use of any particular metal as coin, and Congress may, at its own pleasure, decree the coinage of any metal or of none.

Commerce and Population.

AUGUST 16, 1893.—"A silver standard would make us the trading center of all the silver-using countries of the world, and these countries contain far more than one-half of the world's population."

Suppose they do; what is the pertinence or relevancy of this

remark? What have they to sell, that we want, in comparison with the more highly-civilized nations of the earth? In comparison with these nations, what will they buy of us? The value of foreign trade is not measured by population. And if it were, Napoleon's shrewd observation is to the point: That, since the invention of the steam engine, the "iron men" in each nation must be taken into account in estimating relative population. It is not the number of inhabitants, but their aggregate productive capacity and the number of their artificial wants, which makes the trade of any given community valuable. Apply this test to the silver-using countries of the world, and what would we gain by substituting them for our present customers, who now pay for our surplus products in gold? Nor could we compel them to buy of us if we would.

The Cost of Mining.

AUGUST 16, 1893.—"No calculation can be made as to the profits of mining, which does not include money spent in prospecting and in mines which have ceased to pay, as well as those which are profitably worked."

This would be to apply to mining a rule applied to no other industry in the world. It would be impossible to take any business whatever and calculate how much has been lost in the aggregate by those who have engaged in it without success.

Redeemable and Irredeemable Paper.

JUNE 5, 1894.—"There are two kinds of paper money, namely, redeemable and irredeemable paper. Redeemable paper has two advantages of special importance. It conforms to the prejudice of mankind in favor of metallic money, and retains their confidence in the money as a medium of exchange."

The implication in this assertion is that the greater confidence which mankind in general feel in redeemable paper is a "prejudice," which Mr. Bryan, who is superior to the ordinary weaknesses of human nature, does not share. Irredeemable paper would be good enough for him.

Opposed to All Banks of Issue.

JUNE 5, 1894.—"It is said that we must institute banks of issue in order to put money into circulation. I answer that there is a better way. The issue of money by the Government directly to the people gives us a safer money and saves to the people as a whole the profits arising from its issue. When a bank issues money, you must pay the market rate of interest in order to get it; but when the Government issues money, the people save the interest—if the money is afterwards called in, and they save the principal also—if the money is kept in circulation."

The argument against banks of issue is stated by him elsewhere in the same speech in the following words: "If the bank issues

money on credit, it is permitted to create value for its own advantage; if it issues money on deposited security, it receives the interest on securities, and at the same time uses a part of the money invested in the securities." The Government alone, according to Mr. Bryan, should have the right to issue paper money. He is equally opposed to state and national banks.

How to get Paper Money into Circulation.

June 5, 1894.—"Numerous plans have been suggested for putting this money into circulation. Some have an idea that a Government issue can only put be forth by loaning it to the people, either directly or through the agency of banks. . . Aside from the danger of placing so great a power in the hands of a dominant party, there are plans more just and equitable than that of loaning. The money can be used to pay the expenses of the Government. . . The tariff on some of the necessities of life might be reduced and the deficit made up by an issue of money. . . Government paper can be issued to pay for special improvements which Congress may deem desirable. Harbors can be deepened and rivers can be improved in this way. I have introduced a bill, now before the Committee on Interstate and Foreign Commerce, which provides for the issue of United States notes, like those authorized in 1862 (now called greenbacks), to an amount not exceeding $70,000,000 to pay for the construction of the Nicaragua canal. . . There are other works of national importance. If we find that the currency needs to be increased, and do not desire to reduce taxation, we can, by the issue of a few millions a year, construct a ship canal from Buffalo to the Hudson river. . . We might, by the issue of a few millions a year, connect the Mississippi river with Lake Michigan. . . We can use any available coin on hand to take up matured bonds, and replace the coin so used with paper money. I have introduced a bill during this Congress to provide in this way for the payment of the two per cent bonds now outstanding, payable at the option of the Government and amounting to about $25,000,000. . . Government paper should be issued in the place of national banknotes as they are retired."

The idea underlying all this visionary scheme for increasing the amount of Government paper in circulation is to avoid the payment of interest. Unless the revenues of the Government are sufficient to prevent the occasion for borrowing money, either for current expenses or for paying the principal and interest of interest bearing indebtedness now outstanding ($850,000,000 in bonds), the Government will be compelled to borrow money from time to time in the future, as it has done in the past; and if it proposes to pay no interest upon borrowed money, it will find no capitalists willing to advance funds to meet its necessities. The notion that $850,000,000 of interest-bearing securities will be surrendered by their holders in exchange for non-interest-bearing treasury notes, which would probably in the end be found to be irredeemable, is crude and naive. But Mr. Bryan would not only keep afloat the $750,000,000 of Government paper now in circulation, and add to it $850,000,000 to "pay" the bonds outstanding; he would issue more paper, in unlimited amounts, for public improvements. His opposition to the lending of money by the Government is so mild, that it is not certain that he would veto

a bill authorizing Government loans to private citizens if passed by a populistic Congress.

The policy thus outlined by him is a policy of repudiation of existing obligations to the creditors of the Government, and of inflation of the public debt to a point where national bankruptcy would be inevitable.

Bryan's Idea of Redemption.

JUNE 5, 1894.—"If it is said that more coin will have to be gathered into the Treasury to redeem these new notes, I reply that the Government will need a less reserve for a given amount of paper money than will be required by private banks. Our coin reserve is not now drawn upon, except for gold to export, and when our patriotic financiers desire a new issue of bonds. Whenever the Government exercises its option by paying coin obligations in silver, when that is more convenient, a much smaller reserve will be sufficient. So long as the option is given to the note-holder, the Government is at the mercy of any band of conspirators who may seek to attack the gold reserve; for a small volume of redeemable currency, reissued continually, is sufficient to draw out in the course of time any gold reserve, however great. We shall have no difficulty about our reserve, when we return to the principle of bimetallism and use the option of paying gold or silver in the interest of the people."

Why would not the best and surest plan, to prevent "conspirators" from drawing upon the reserve, be to make the Government paper irredeemable at once? And if the obligations of the Government are payable at its option, in gold or silver, when silver is worth only half as much as the coinage ratio would indicate, why is not a silver reserve as important as a gold reserve? What will become of the silver reserve, if "conspirators" attack it also?

Bryan on Repudiation.

AUGUST 16, 1893.—"Some of our Eastern friends accuse the advocates of free coinage of favoring repudiation. Repudiation has not been practised much in recent years by the debtor; but in 1869 the 'credit strengthening act' enabled the bondholder to repudiate a contract made with the Government, and to demand coin in payment of a bond for which he had given paper, and which was payable in lawful money."

The retort, "You are another," has been popular in all ages, especially with those who have no other reply to make to an accusation. If it is said that whenever the government passes the limit of its ability to maintain the silver dollar at par with gold it will become a dishonest dollar, the easy rejoinder is that the gold dollar is a dishonest dollar. If it is said that to pay public or private indebtedness in depreciated currency is repudiation, Mr. Bryan ventures to suggest that the demand for payment of Government bonds in coin is repudiation. But this retort is even more far-fetched and unwarranted than the other.

No bondholder, even during the dark days of the Civil War, ever imagined, when he loaned his money to the Government,

that any party would ever rise up to assert that he must surrender his interest-bearing evidences of indebtedness on the part of the Government for non-interest-bearing evidences of such indebtedness. When the greenback party took this stand the democratic party opposed it. That Mr. Bryan is a greenbacker, is evident from many of his published utterances, of which this is one. If his words are to be taken in their obvious sense, he would have the Government pay its bonds not in coin but in paper. If by "coin" was meant gold, or money as good as gold, payment in depreciated silver is repudiation; but that is partial repudiation only. Mr. Bryan is apparently in favor of complete repudiation; and to escape the condemnation which repudiation involves, he seeks to charge the bondholders with a crime which on the part of the Government he regards as a virtue.

Bryan on the Coinage Ratio.

August 16, 1893.—"In fixing the ratio we should select that one which will secure the greatest advantage to the public and cause the least injustice. The present ratio, in my judgment, should be adopted. A change in the ratio could be made (as in 1834) by reducing the size of the gold dollar, or by increasing the size of the silver dollar, or by making a change in the weight of both dollars. A larger silver dollar would help the creditor. A smaller gold dollar would help the debtor. It is not just to do either, but if a change must be made, the benefit should be given to the debtor rather than the creditor. Let no one accuse me of defending the justness of any change; but I repeat it, if we are given a choice between a change which will aid the debtor by reducing the size of his debt and a change which will aid the creditor by increasing the amount which he is to receive, either by increasing the number of his dollars or their size, the advantage must be given to the debtor."

Legislation in favor of debtors or of creditors, as a class, would be class legislation and wholly unjustifiable. Questions between debtors and creditors are properly settled in the courts; and every court will hold that what is right for the one is right for the other also. Mr. Bryan, therefore, did well to disclaim advocacy of any change of the existing ratio. Should a change be made at any time hereafter it can not and ought not to affect contracts antedating such change.

But in advocating the unlimited coinage of silver bullion, at the present ratio, for the owner and without cost to him, Mr. Bryan does propose a change of the entire basis upon which business is transacted. We are informed by him that there are three ways by which the ratio between gold and silver can be altered: 1. The shrinkage in size of the gold dollar. 2. The enlargement of the silver dollar. 3. Making a change in the size and weight of both dollars. Either of these three methods contemplates a nearer approximation of the coinage ratio to the commercial ratio and is so far forth honest. If this approximation of the two ratios were carried to the point of identity, the change suggested

by him would be absolutely honest—provided that it is not retroactive in its application to outstanding debts.

This is not, however, the change which would follow the adoption of free coinage at 16 to 1. There is still another possible change to which Mr. Bryan made no reference in his speech, namely, the shrinkage of the silver dollar. A silver dollar containing 371¼ grains of pure silver, worth 53 cents in gold, which nevertheless passes current for 100 cents in gold, is an anomaly in finance, unless explained. The explanation is simple. Fifty-three cents of the current value of this dollar is visible; 47 cents of its value is invisible, and consists in credit. Free and unlimited coinage would destroy this credit. In advocating free coinage at 16 to 1, therefore, Mr. Bryan proposes to make the silver dollar smaller—not to the eye, but in fact.

This would be a change of ratio in the purchasing power of the silver dollar, as compared with a gold dollar, from 16:1 to 31:1.

To avoid this result Mr. Bryan gravely proposes that we should do one of two things: double the weight of the silver dollar, or else coin gold dollars half their present weight. Anybody can see that one of these would have to be done, in order that identity should be established between the coinage ratio and the commercial ratio.

Which of these two expedients does Mr. Bryan favor? He tells us that enlarging the silver dollar would help the creditor. It would only help him by maintaining the present standard of value. He also tells us that halving the gold dollar would help the debtor. If so, it would be by a change in the present standard of value. Finally, he tells us that he prefers the latter expedient, because the debtor has rights superior to the rights of the creditor.

The Price of Farm Products.

JANUARY 13, 1894.—"The price received for the great staples of agriculture in the United States depends upon the price in foreign markets."

The amount of silver coined in the United States will not affect the price (in gold) in foreign markets; therefore, according to the admission of Mr. Bryan, it will not affect the price (in gold) in this country.

Free Coinage and the Farmer.

JANUARY 13, 1894.—"You can not help a farmer except by a bounty, and no one proposes to pay a bounty on agricultural products."

Then, unless the free and unlimited coinage of silver at 16 to 1 is in the nature of a bounty, it will not help the farmer. But if it is in the nature of a bounty, it is contrary to Mr. Bryan's principles, for in the same speech he said: "I will not attempt to justify a bounty on anything. I believe it to be indefensible in principle and vicious in practice."

Charity and Justice.

JANUARY 13, 1894.—"The laboring men of this country, the producers of our nation's wealth, do not ask for benevolence. They simply demand justice, that is all. They ask for the right to labor where they will and to enjoy the fruits of their own toil. With their skill and intelligence, and surrounded by the bounties and the natural resources of a country but partially developed, they do not doubt that they can hold their own. Let them rise and stand upon their feet; leave them free to achieve their own greatness and to retain a fair share of the wealth which they create; give them equality before the law, and they will ask for nothing more."

By equality before the law Mr. Bryan meant free trade. At that date he had not the free coinage of silver in his mind. Give them free trade, and it was his opinion that they would ask nothing more. They have tried free trade and they do not like it. He now makes an entirely new demand in their name.

If free coinage means payment of debts at half price, to give them this right would be charity. If it means payment of wages at half price, it is not justice.

No Need for an Army or Navy.

JANUARY 30, 1894.—"Who is it most needs a navy? Is it the farmer who plods along behind his plow upon his farm, or is it the man whose property is situated in some great seaport, where it could be reached by an enemy's guns? Who demands a standing army? Is it the poor man as he goes about his work, or is it the capitalist who wants that army to supplement the local government in protecting his property, when he enters into a contest with his employees?"

Would Mr. Bryan abolish the navy and leave our seaports exposed to foreign assault? Would he abolish the army? Does he think that, when a strike occurs, the property of the concern engaged in a contest with its employees ought not to be protected, pending the decision of the questions in dispute? If not, what can be said of this quotation, except that it is an insidious and inflammatory appeal to the worst passions of human nature?